Village of Derwent Dissolution Study

November, 2001

Alberta
MUNICIPAL AFFAIRS

102-07162/

Introduction:

In February of 2001, the Minister of Municipal Affairs received a letter from the village council requesting a dissolution study for the Village of Derwent.

This triggered action under section 130 of the Municipal Government Act, which requires the Minister of Municipal Affairs to undertake a dissolution study if he receives such a request.

What is dissolution?

Dissolution occurs when a municipality gives up its legal status as an incorporated municipality under the Municipal Government Act and becomes part of the adjacent rural municipality.

The Village of Derwent is an incorporated municipality. If the village were to dissolve, it would become a hamlet in Two Hills County. The county would then become responsible for municipal governance, administration, and the provision of all municipal services to the residents.

What is a dissolution study?

The dissolution study process involves researching and writing a report for the residents of Derwent and the Minister of Municipal Affairs on the anticipated effects of dissolving the Village of Derwent.

This dissolution study looks at several questions, including:

- What is the current service and financial situation in the village?
- How does Derwent's base financial information compare to the average of twenty other villages with a population of 200 or less?
- How does the current situation compare to what residents could expect if Derwent joins the County of Two Hills?
- What would the estimated taxes have been if the village had been dissolved into the county in 2001?

What a dissolution study is not:

The dissolution study is not an inquiry into, or an assessment of, the village council or administration. As well, this study is about Derwent the municipality, not Derwent the community. The community will exist whether Derwent is a village or a hamlet. Residents will continue to be "from Derwent" whether it is an incorporated municipality or part of the county.

How was the information for the study gathered?

Information for the study came from a number of sources, including the municipal councils and administrations, the provincial government, and local service agencies.

As part of the process, Municipal Affairs staff met with the village and county councils and administration to gather information for the report. Municipal Affairs also sent out a letter to residents of Derwent advising them that the report was being prepared.

What happens now?

Residents have received the following items:

- A copy of the study,
- A notice of the date, time and location of the public meeting where Municipal Affairs staff will present the completed study and answer questions, and

- A notice of "Vote on a Bylaw or Question" that gives the date, time and location of the vote on the question of dissolution.

The results of the vote and the information in the study will assist the Minister in determining whether or not to recommend to the Provincial Cabinet that Derwent dissolve.

What is the current situation in the Village of Derwent?

Derwent was incorporated as a village on June 25, 1930, and acted as a service center for its residents and the surrounding rural community. In the 1950's, the village's commercial sector included grain elevators, bulk fuel dealers, implement dealers, retail stores, a school, a post office, a bank, and a railway station.

Today the village is still a service center for residents and the surrounding rural community. However, with grain elevator closure, discontinued railway passenger service, and improved road systems, there is less demand for local services. The village has a much smaller commercial sector than in the past. Commercial businesses today include a hotel and café, a farm machinery parts store, a general store, and a post office.

Historical reports place the population of Derwent as high as 450. By the mid 1950's, the population had declined to 290. Over time, the population continued to decline, mainly because of events beyond the control of the village, such as the closure of elevators, the bank, retail outlets and the school. From 1982 to 1991, the village population was between 140 and 150. In 1992, the population fell to its current level (110 people).

Despite the smaller population and reduced commercial services, village residents and the surrounding rural residents have a strong sense of community and strong ties to the village. This is evident from the many volunteer organizations formed by village and rural residents who donate their time to the community. Many of the current village residents were rural residents who chose to retire in Derwent to be close to family and the community.

The village now provides a range of services typical for small municipalities, including road maintenance, water, sewer, garbage collection, fire, and ambulance services.

The village has a three-member council that sets policy, determines service levels, and sets the tax rate. The two village employees each work 15-20 hours per week to administer and provide services to the village. The village has no plans to increase the current level of staffing.

Financial

The village relies mostly on property tax revenues, and user fees for water, sewer, and garbage collection to pay for its operations. The audited financial statements for 2000 show total revenues of $73,000. Of that revenue, $41,046 came from property tax revenues and $17,475 from user fees. The remaining revenue of $14,479 came from other sources such as interest on the village's reserves and provincial grants.

The village had cash and temporary investments totalling $113,544 and liabilities of $8,322 on December 31, 2000. Although the village ended the year 2000 in a positive financial position, its total expenditures have exceeded its revenues in 1998, 1999, and 2000. The total

accumulated deficit for these years was $30,735. The village has used its financial reserves (savings) to pay the deficit rather than increasing the property tax.

The village reserves have declined from a high of $111,000 in 1997 to $79,939 at the end of 2000. These funds will be further depleted in 2001 because of the purchase of an emergency response vehicle and the anticipated use of reserves for funding operations. A portion of the school sale proceeds forms part of the remaining reserves and these proceeds must be used for the purposes of a public park or a public recreation area, as required by section 671 of the Municipal Government Act. It is expected that by the end of 2001 there will be very little of the $79,939 remaining for general municipal purposes.

The use of reserves to pay for normal operating expenditures has provided temporary tax relief. However, this will make it difficult to handle emergency repairs or to plan for the eventual replacement of road, water and sewer facilities without increasing property tax or utility rates, or else borrowing money to pay for the work.

The village's total property assessment was $1,507,660 for 2000, which is down 11 percent from $1,697,580 in 1998. In 2000 about 61 percent of the assessment was residential and 39 percent was non-residential. The residential assessment remained stable from 1998 to 2000 but non-residential assessment dropped by 23 percent. This means that residential property owners were picking up more of the village tax burden in 2000 than in 1998. Any future loss of non-residential assessment may result in an even greater shift in the tax burden to residential property.

The village's residential property tax rate has increased 8 percent since 1997. In 1999, the residential tax rate was 36.3 mills, which was the fourth highest of all villages. When tax rates become too high, some people may become unwilling or unable to pay the tax and may simply abandon their property. The village could then end up with the title to the land for the taxes owing. If the village accumulates properties for non-payment of taxes and is unable to resell them, the remaining occupied properties must pick up an increasing share of the tax burden.

The village already has title to a considerable amount of property that it is presumably unable to sell. Usually before the village ends up owning properties for unpaid taxes, the sites have deteriorated to the point where the village needs to spend money to clean up the properties, or to remove unsafe or derelict buildings. Action by the village is desirable to protect the safety of the public and itself from liability. These tax recovery properties do not generate tax revenue, but do require maintenance by the village until sold.

Infrastructure

Roads in the village are generally gravel based, with most having an oil surface treatment. The condition of the road system is reasonable given the traffic and the village's resources.

Sidewalks in the village are generally in fair to poor condition with sections requiring repair or replacement. Sidewalks not in a reasonable state of repair are a safety hazard and present a serious potential liability issue for the village.

The village installed a water and sewer system sometime in the 1950's. No recent engineering reports are available; therefore, the current condition of the underground portion of the water and sewer system is unknown. It is possible that the system is nearing the end of its life span and may need to be replaced.

The water wells are located some distance from the village. Water treatment is minimal, requiring only chlorination to disinfect the water. The current license to operate the system expires in 2006. Alberta Environment does not anticipate requiring any major improvements to the water treatment plant when the license is renewed. However, the village anticipates some upgrading of the distribution pumps and control systems in the near future.

The village's sewage collection system collects the raw sewage in a large septic tank. The septic tank discharges effluent on a continual basis into a nearby slough owned by the village. Solids from the tank are hauled away for disposal.

Provincial legislation requires licensing of all municipal sewer systems. The present sewage treatment system is operating without a license. This has been an issue for the village and Alberta Environment since the early 1970's and will have to be resolved in some manner, whether the village dissolves or not.

In January of 1974, Alberta Environment notified the village that the current sewer system would require upgrading. The village retained Associated Engineering in November of 1974 to complete a feasibility report and determine the most cost effective method to bring the system up to licensing standards. The estimated cost for the project in 1975 was $198,525. The project was eligible for 75/25 cost sharing with the province, which put the village's share at $49,631. The village took no action on the recommendations in the 1975 report because the village felt it could not afford the project.

Again, in 1989, Alberta Environment asked the village to take steps to improve its sewage treatment system. The village retained Daltan Consulting Ltd. to complete a feasibility study for upgrading the system. The consultant estimated the costs to be $264,570. Based on a 75/25 percent partnership with the province the village's share was $66,142. The village did proceed to the stage of negotiating with a landowner for a new lagoon site, but there has been no recent action by the village to resolve this issue.

In the future, the village will likely have to upgrade its system to meet provincial licensing requirements. The village may not have sufficient reserves to fund the project and may have to finance it by borrowing the funds. The annual payments on the debt would come from increased utility rates and/or increased property tax rates. The expectation that the users would pay for the upgrades would remain the same regardless of whether Derwent is a village or part of the county.

Comparative analysis:

Net municipal tax rate

The net municipal tax rate is the municipal portion of the total property tax levy expressed in mills.

Derwent's tax rate has been consistently above the average for small municipalities from 1997 to 1999. The average municipal tax rate in 1999 was

19.2 mills for municipalities with similar populations (200 or less). Derwent's municipal tax rate was 28.4 mills, 48 percent above the average that year.

The village's total assessment base dropped by 11 percent from 1998 to 2000, which led the municipality to increase its tax rate to maintain services. Any future loss of assessment, or any significant increase in costs to operate the village, will probably result in even higher municipal tax rates.

Residential tax rate

The residential tax rate is the combined municipal and school tax rate on residential property expressed in mills.

Derwent's residential tax rate was consistently above the average from 1997 to 1999. The average residential tax rate for municipalities with similar populations was 27.7 mills in 1999. The village's residential tax rate was 36.3 mills, which is 31 percent higher than the average.

Derwent's non-residential assessment dropped by 23 percent from 1998 to 2000. This means that residential property picked up a larger share of the tax burden in 2000 than in 1998, which caused the residential tax rate to increase.

Any future loss of non-residential assessment may result in an even higher residential mill rate.

Assessment per capita

Assessment per capita is the total assessment of the municipality divided by the population and expressed in dollars.

A lower than average assessment per capita means it may be more difficult for the municipality to raise the tax revenues necessary to provide services.

The average assessment per capita in 2000 for municipalities with similar populations was $25,193, while the village's was $13,533. The village has the lowest assessment per capita of all villages with a population of 200 or less. Derwent's assessment per capita has been consistently lower than the average since 1995.

Total reserves

Reserves are money set aside by a municipality for future purposes.

A municipality needs reserves to pay its expenses between tax collection dates and also to better plan for the future repair or replacement of things like roads or water and sewer systems. Ideally, adequate reserves will allow for these projects without the need to borrow money or to suddenly increase property taxes.

Derwent's reserves were consistently above the average from 1997 to 1999. In 1999 the average reserves for municipalities with similar populations was $66,000, while the village's were $82,000 (25 percent higher than the average). This was a positive factor for the village.

From 1997 to 2000, the village's reserves have declined by 28 percent. At the end of 2000, the village's reserves were $79,938. This decline happened because the village used some of its reserves to pay for normal operating expenditures instead of raising the tax rates further.

In 2001, the village purchased an emergency response vehicle using reserve funds. Therefore, the village's total reserves will be further reduced at the end of 2001.

Expected changes if Derwent were to dissolve and join Two Hills County

If Derwent were to dissolve, it would become a hamlet in Two Hills County. The boundaries of the Village of Derwent would become the boundaries of the hamlet of Derwent in Two Hills County.

Appendices 1 and 2 at the end of the report show that residents would pay less tax if Derwent was a hamlet in Two Hills County. However, residents should be aware that the dissolution of the village would change how some village functions are handled and how some services are delivered. The following chart shows what the current situation is in the village and what residents could expect if the village were to join Two Hills County. Residents should consider all this information when taking a position on the dissolution of the village.

Services	Current situation in the village	What residents can expect if the village were to join Two Hills County
Council and Councillors	Residents elect a three-member council at large. This means that each councillor represents the village as a whole and not a specific area of the village. The whole council makes decisions for the village.	The county is divided into five electoral divisions. County residents elect a member of council to represent the electoral division in which they reside. If the village dissolves, it would become part of electoral division 1 represented by councillor Don Gulayec. County council would consider establishing a committee of residents to help the community discuss and bring concerns forward to council. Like the village, the whole council makes decisions for the county.
Mayor/Reeve	Council appoints the mayor from within council every year at the organizational meeting in October.	The county council appoints the reeve from within council every year at the organizational meeting in October.
Councillor contact	Residents contact councillors in person, by phone, or by attending a council meeting in Derwent.	County residents contact councillors in person, by phone, or by attending a council meeting in Two Hills.
Council meetings	Council meetings are normally held on the third Monday of the month in the village and are open to the public to observe and listen. If a resident wishes to speak with council, he or she normally contacts a councillor or the village administration to be added to the agenda.	County council meetings are normally held on the first Wednesday and third Thursday of the month at the county office in Two Hills. Council meetings are normally open for residents to listen and observe. If a resident wishes to speak with council, he or she can contact the area councillor, or the county administration, to be added to the agenda.

Services	Current situation in the village	What residents can expect if the village were to join Two Hills County
Municipal elections	Municipal elections are held every three years in October. Residents elected three councillors in 2001.	Municipal elections are held every three years in October. County residents elected five councillors in 2001. If Derwent dissolves, hamlet residents could vote or run in the next municipal elections in 2004.
General inquiries and information	Residents contact the administration for general inquiries or other information by phone, in person at the village office, or by contacting the public works supervisor in case of emergencies.	The county residents contact the administration by phone, fax, e-mail, or in person at the county office in Two Hills. At the time of dissolution, the county would provide residents with information about county services, including phone numbers for general inquiries and emergencies.
Village assets	The village had financial assets of $128,293 and liabilities of $8,322 on December 31, 2000. In addition to its financial assets, the village has land, building, and equipment assets for community use, resale, or service delivery.	The county had financial assets of $7,160,073 and current liabilities of $1,408,648 on December 31, 2000. All assets and liabilities of the former village would transfer to the county at the time of dissolution. The county could sell any buildings, land, or equipment not required by the county for municipal purposes. The Order in Council dissolving the village would contain a provision that the county place any surplus money received from the village at the time of dissolution, plus proceeds from the sale of village assets, in a reserve to benefit Derwent.
Village employees	The village has a chief administrative officer and a public works supervisor. Both work 15-20 hours per week. The public works supervisor is on-call for water and sewer or other public works emergencies on a continual basis. The village hires part time or seasonal staff as required and has no plans to increase staffing.	The county has 31 staff that provide administration and deliver services. If the village were to dissolve, county staff would coordinate the administrative and service delivery functions from the county office in Two Hills. Village employees would be released by the village at the time of dissolution and provided with a severance package similar to the Alberta Public Service. The county may offer to hire the former village employees to assist in winding up the village's affairs and to operate the water and sewer system.

Services	Current situation in the village	What residents can expect if the village were to join Two Hills County
Village bylaws	The village has bylaws in effect for things like snow removal from sidewalks, traffic control, dog control, and unsightly properties.	The county has numerous bylaws in effect for things like unsightly properties, weeds, and dog control. If the village were to dissolve, county council would likely repeal any village bylaws that conflict with current county bylaws. Any remaining village bylaws would be in effect until changed or repealed by county council.
Village office	The village office is a dual-purpose building that houses the village administration and the community library.	The county is considering keeping the village office open for a few hours a week for a three-month transitional period. During this time, the county will assess the future use of the building.
Municipal library	The Derwent Municipal Library Board is an incorporated body under the Libraries Act. The library board operates independently from the village. The board receives an annual grant of $2,450 from Alberta Community Development.	If the village were to dissolve, the Derwent Municipal Library Board would cease to be an incorporated body. The county library board is the Northern Lights Regional System and it would receive $7.11 per capita funding from Community Development. Derwent residents would have access to the services of the regional system. Northern Lights would discuss various options with the county to ensure the best level of service to all residents, including keeping the library open in its present location.
Fire fighting services	The volunteer fire department provides fire-fighting services in the village and a portion of the county. Funding for operations and capital purchases comes from the village and the county.	The volunteer fire department would continue to provide fire-fighting services to Derwent and a portion of the county. Funding for operations and capital would come from the county.
Ambulance services	The village receives ambulance service from Vermilion. The village pays a per capita fee for this service. Telus provides the 911 service.	The county would continue to have the same service providers for ambulance and 911 services.
Police services	The RCMP from the Vermilion detachment provide police services.	The RCMP from the Vermilion detachment would continue to provide police services.
Street lighting	The street lighting service is provided by ATCO and residents pay for it through municipal taxes.	The county will continue the present level of service and may consider converting it to gas lights in the future.

Services	Current situation in the village	What residents can expect if the village were to join Two Hills County
Road maintenance	The care, control and management of the village roadways are the village's responsibility. The majority of roadways in the village are oil treated for dust control and the remainder are gravel surfaced. The public works supervisor performs all minor maintenance to the oiled road surface, and arranges for any extraordinary road maintenance. The county plows snow and grades the village streets on a fee for service basis.	The care, control and management of the village roadways would transfer to the county at the time of dissolution. The county would maintain the existing roadways in a safe condition and would plow the streets on a priority basis. Any new paving projects in the village would be paid for by Derwent residents, either as a local improvement tax or a general tax levy on all property in the former village. The county would continue to house a grader in the village.
Sidewalks	Sidewalks in the village are generally in fair to poor condition. Some sections require repair or replacement to protect the public from injury and the village from liability. Any new sidewalk projects in the village would be paid for by residents, either as a local improvement tax or as a general tax levy. Village residents are required to remove the snow from the sidewalks in front of their residences. The public works supervisor removes the snow from the sidewalks on Center Street.	The county would maintain the existing sidewalks in reasonable condition for public safety and to protect itself from liability. Any new sidewalk projects in the village would be paid for by residents, either as a local improvement tax or as a general tax levy on all property in the former village. Residents would continue to be required to remove the snow from the sidewalks in front of their residences. The county would maintain the existing level of snow removal service.
Water and sewer systems	The village installed the water and sewer systems in the 1950's. There are no recent engineering assessments of the underground utilities and no long-range plan for their replacement. The public works supervisor operates the water system for the village and arranges for any repairs to the water and sewer systems. However, the village does not currently have a license to operate its sewer system. In the future, the village will likely have to license and upgrade its sewer system to comply with provincial regulations.	The county would operate and maintain the water and sewer systems according to provincial licensing requirements. The county would offer to retain the current operator and review service levels in the future. If the village dissolves, the county will be required to upgrade and license Derwent's sewer system to comply with provincial regulations. Any future upgrading or major repairs to the systems may require the county to increase utility rates, or to levy a local improvement tax to pay for the work.

Services	Current situation in the village	What residents can expect if the village were to join Two Hills County
	Any future upgrading or major repairs to the water and sewer systems may require the village to increase utility rates, increase property tax, or levy a local improvement tax.	
Waste collection and disposal	The village is a member of the Two Hills Waste Management Authority. The authority charges the village an annual fee of $22 per capita for solid waste disposal. The village picks up residential waste and charges residents $4 per month for the service. The fees collected by the village in 1999 and 2000 were sufficient to cover the cost of the charges to the authority but not the cost of garbage pickup. Residents pay the shortfall through property taxes.	The county is a member of the Two Hills Regional Waste Management Authority. The authority also charges the county a fee of $22 per capita. If the village dissolves, the county would continue to offer curbside pick-up of residential garbage. The county would expect user fees to cover the cost of collection and transportation to the regional transfer station. The county would increase its annual payment to the authority to cover the additional population of Derwent.
Utility rates	The village's water and sewer utilities were self-supporting in 1999 and 2000. User fees collected for water and sewer utilities exceeded the cost of operating the systems. However, the village does not have sufficient reserves in place to pay for major repairs or replacement of the systems. Any future upgrades or major repairs to the systems may require the village to increase utility rates, or to levy a local improvement tax.	The county would expect the water and sewer utility rates to pay for the cost of providing the service and to put money in reserves to pay for future upgrading of the systems. To ensure that utility rates are paying the cost of providing the service, the county would do regular rate reviews and adjust rates accordingly. Any future upgrades or repairs to the system may require the county to either increase utility rates or levy a local improvement tax.
Utility bills & tax payments	Residents can either mail in their payments or drop them off at the village office.	If the village were to dissolve, residents could mail their payments or drop them off at the county office in Two Hills. The county will continue the bi-monthly billing and consider providing residents various billing options.
Tax arrears	At the end of 2000, the village had $1,353 in current taxes unpaid and $4,332 in arrears. The village is proceeding under the tax recovery process to collect the arrears.	If the village dissolves, all unpaid taxes, whether current or arrears, would become debts owing to the county. The county would proceed under the tax recovery process to collect the arrears.

Services	Current situation in the village	What residents can expect if the village were to join Two Hills County
Agri-Plex	The Derwent and District Agricultural and Recreational Society is the owner and operator of the Agri-Plex facility that is located in Two Hills County on land owned by the village. The agricultural society pays the operating costs of the facility, including utility charges. It also maintains the village's playgrounds and ball diamonds. The village does not provide financial support for the activities of the society.	The agricultural society would be the owner and operator of the Agri-Plex facility. The ownership of the land would transfer to the county at the time of dissolution. The county would enter into an agreement with the agricultural society for the continuing use of the land. The agricultural society would continue to pay utility charges and would be encouraged to continue to maintain the ball diamonds and playground.
Derwent and District Recreation Centre	The Derwent and District Recreation Society owns and operates the recreation centre. The facility is located on land owned by the village. The recreation society is exempt from property tax. Recently, the agricultural society has been paying for the utility charges. The village does not provide financial support for the activities of the recreation society.	The Derwent and District Recreation Society would continue to own and operate the recreation centre. The title to the land would transfer to the county at the time of dissolution. The county would enter into an agreement with the recreation society for the continuing use of the land. The recreation society would continue to be exempt from paying property tax, but would be responsible for the utility fees
Curling Arena	The Derwent and District Curling Club is the owner and operator of the arena. The arena is located on land owned by the village. The curling club pays utility charges but is exempt from property tax. The village does not provide financial support for the activities of the curling club.	The Derwent and District Curling Club would continue to be the owner and operator of the arena, continue to pay utility charges, and be exempt from paying property tax. The ownership of the land would transfer to the county at the time of dissolution. The county would enter into an agreement with the curling club for the continued use of the land.
Northern Lights Manor	The Alberta Seniors Housing Corporation (ASHC) owns the facility and the village is the management authority that administers the facility.	The ownership of the manor would remain with the ASHC should the village dissolve. The county does not operate any housing facilities and it may seek to negotiate with the province to have another public body administer the manor.
Golden Age Centre Society	The village owns the building and property and leases it to the Golden Age Centre Society. The Society is the operator, pays utility fees, and is	The land and the lease agreement would transfer to the county at the time of dissolution. The Golden Age Centre Society would continue to operate the

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	exempt from property tax. The village does not provide financial support for society activities.	facility. The society would continue to pay for utilities and be exempt from paying property tax.

Summary of the study:

The village is struggling mainly because of a series of past events that were largely outside the control of the village. The closure of grain elevators, a school, and a financial institution are some of those events. These events have contributed to the declining population, and to the shrinking tax base.

The village spent more money than it took in from 1998 to 2000 and used its reserves to fund the deficit.

The village's infrastructure is old and may need major repairs or upgrades at some point in the future. The village's remaining financial reserves may not be adequate to pay for major repairs or upgrading of utilities or roads without increasing taxes or borrowing. The maximum the village can borrow without permission from the Minister is $110,031 under provincial regulations.

Derwent's tax rate is high compared to other villages; this makes it difficult to attract new businesses or residents to locate in the village. However, the village has no debt.

The study concludes that the residents would pay less tax if they were to join the county. However, when taking a position on dissolution residents should consider all the information.

What will happen if the village does not dissolve?

If Derwent remains a village, change may not be immediately apparent. The village will continue to provide what services it can to its residents, and residents will continue paying for these services through taxes and user fees. However, the village will be facing difficult challenges.

The village has shrinking revenues, declining population, and increasing costs. Council will need to maintain and upgrade the village infrastructure. In particular, there is the issue of building a new sewage lagoon if Derwent cannot license the existing one. As well, some derelict buildings may need to be secured or demolished. Council is already committed to replacing shut-off valves, repairing manhole risers, and making changes to the fire hall doors so the emergency response vehicle can park inside.

Council will work to rebuild village reserves and is considering developing a business plan to help guide future expenditures. Council would also like to sell village owned property that is not required for municipal purposes.

The village is facing significant challenges and has fewer resources available, and therefore may need to review current tax and utility rates.

What is the next step?

A public meeting to discuss this dissolution study is scheduled for **November 7, 2001, in the Golden Age Centre in Derwent at 7 p.m.**. All residents are encouraged to attend this important meeting. Officials from Derwent, Two Hills County, and Alberta Municipal Affairs will be available to discuss the report and answer questions.

A vote on the question of dissolution is to be held at the **Golden Age Centre in Derwent on November 14, 2001, from 10 a.m. to 8 p.m.**

The question on the ballot is:

"Do you wish to dissolve the Village of Derwent and have it become part of Two Hills County?"

Alberta Municipal Affairs will administer the vote in accordance with the Local Authorities Election Act, which stipulates, among other things, that only village residents are permitted to vote on the question.

The report, the issues raised at the public meeting, and the results of the vote will assist the Minister of Municipal Affairs in determining whether or not to recommend that Derwent be dissolved.

If the Minister recommends dissolution to the Provincial Cabinet, and the Cabinet agrees, the village council and administration will work with Two Hills County to wind up the village's affairs. The recommended date for dissolution would be December 31, 2001.

For further information contact:

Terry Brown or Terry Broome at Alberta Municipal Affairs
Call toll free 310-000 and ask for 427-2225.
or
Shirley Tomusiak at the village office 780-741-3792